

AB 32 Cost of Implementation Fee Regulation

Background information

On September 27, 2006, [Assembly Bill 32](#) (AB 32), the Global Warming Solutions Act of 2006 (Núñez, Chapter 488, Statutes of 2006) was signed into law. AB 32 established a first-in-the-world comprehensive program of regulatory and market mechanisms to achieve real, quantifiable, and cost-effective reductions of greenhouse gas (GHG) emissions to reach 1990 levels by 2020. AB 32 also authorized the Air Resources Board (Board) to adopt a schedule of fees to be paid by sources of GHG emissions. Money collected from these fees will be used to fund the State's costs of implementing AB 32.

The AB 32 Cost of Implementation Fee Regulation (Regulation) was finalized and became effective on June 17, 2010. The Regulation can be downloaded at: <http://www.arb.ca.gov/regact/2009/feereg09/ab32finalfro.pdf>

Who pays?

- Large natural gas distributors and large users of natural gas
- Refineries
- Suppliers and importers of gasoline and diesel fuel
- Electricity importers and in-state generating facilities
- Facilities that combust coal and petroleum coke
- Cement manufacturers

How many facilities pay?

There will be approximately 285 fee payers

How much revenue do the fees generate?

Based on the 2010 Budget Act, the total required revenue is \$62.1 million. This total includes both AB 32 implementation expenses for the fiscal year 2010-2011 of \$35.2 million and \$26.9 million of repayment on program start-up loans to be repaid by the fees.

Which agencies receive funds?

Meeting California's AB 32 goals will require the combined efforts of many agencies. The funding is allocated among the seven State agencies listed below; the list of agencies may change from year-to-year through the continuing budget process.

- Air Resources Board
- Environmental Protection Agency
- Department of Resources Recycling and Recovery
- Department of Public Health
- State Water Resources Control Board
- Department of Water Resources
- Department of Housing and Community Development

The Regulation is designed so that invoices are sent after the budget is approved ensuring that each year ARB collects only the amount authorized to run the program and repay the startup loans.

What Does This Mean for California Consumers?

The effect on a typical household is expected to be an increase of expenses of less than one dollar per year in utility bills (natural gas and electricity) and approximately one dollar per year in fuel expenses for an average car.

For More Information

For more information on the Regulation visit the AB 32 Cost of Implementation Fee Regulation page on the California Air Resources Board's Climate Change Program website at:
<http://www.arb.ca.gov/cc/adminfee/adminfee.htm>